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ALASKA ECONOMIC TRENDS

Alaska Department of Labor Bill Sheffield, Governor, State of Alaska

1 Fish Harvesting and Fish Processing in Alaska, 1982

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The following notes pertain to Nonagricultural Wage and Salary Employment Tables:

Government includes teachers in primary and secondary schools, and personnel employed by the University of Alaska.

Benchmark Date March 1984.

P/ Denotes preliminary estimates.

R/ Denotes revised estimates.

FISH HARVESTING AND FISH PROCESSING IN ALASKA, 1982

By Kathleen Thomas

The fishing industry is an integral part of Alaska's economy. Almost all coastal communities are affected by the fortunes of fishing. In 1982 annual average fish harvesting and fish processing employment comprised 7.2% of statewide annual average employment (nonagricultural wage and salary employment plus fish harvesting employment). During July, the peak month in 1982 for fish harvesting and processing employment, the industry comprised 16.4% of statewide employment. This percentage is exclusive of secondary and tertiary employment generated by the fishing industry such as boat repairs and the sale of gas and oil, food, equipment, and other supplies, or fishing income spent in local communities. Total 1982 ex-vessel fishery value (the value of the fish paid to the fish harvester) combined with total fish processing wages paid in 1982 was equal to $686 billion, 11.1% of the statewide total yearly nonagricultural employment payroll plus fishing ex-vessel value.

Nonagricultural wage and salary employment does not include fish harvesting employment. For that reason fish harvesting employment and wages are added to nonagricultural wage and salary employment and wages when making comparisons between the fishing industry and statewide employment and income. Fish processing employment is considered to be nonagricultural employment; therefore, no adjustments need to be made for the purpose of making comparisons between fish processing employment and statewide nonagricultural wage and salary employment.

Because of the significance of the fishing industry to Alaska, a full body of knowledge must be available in order to make effective policy and management decisions for the fishing industry. Until recently a systematic estimation of fish harvesting employment had not been completed. Periodic estimations of fish harvesting employment have been performed previous to 1977 but estimates to provide a time series of employment had not been completed until the Department of Labor, Research and Analysis Section began to develop fish harvesting employment estimates in 1977. Estimates of fish processing employment are made monthly in *Alaska Economic Trends* and are included in the food and kindred products sector of manufacturing employment.

Many problems arise when trying to make an accurate count of fish harvesting employment. Throughout the season fishermen may fish for more than one species, use more than one gear type, and fish more than one area. These transitions make it difficult to establish an actual count of fish harvesting employment. To overcome these limitations a methodology was developed by Rogers and Listowski to estimate fish and seafood

harvesting employment by species, gear type, area fished, and month. This same methodology is used to derive 1982 estimates of fish harvesting employment for Alaska.

To determine the number of people involved in fish harvesting in an area it is necessary to have a count of the number of vessels in that area, the gear type used, species fished, and the number of crew members for each vessel.

This is accomplished in three parts. First, a survey is conducted of fishing associations, government agencies, individual fishermen, and fishery biologists to determine the average crew size of each type of fishing vessel that fished with a particular gear type in a particular region. Second, the number of vessels fishing with a particular gear type and in a particular area must be determined. The Commercial Fisheries Entry Commission (CFEC) produces a report of the number of unduplicated landings at fish processors made by fishing boats. The data is obtained by the CFEC from fish ticket files maintained by the Alaska Department of Fish and Game, Division of Commercial Fisheries. Finally, by multiplying the crew factor by the boat landings an estimate of the number of people employed in fish harvesting can be determined.

An estimate is also made of earnings for fish harvesting. In lieu of actual wage data, total fishery volume and value obtained from CFEC gross earnings files are used to compare the different gear types and species of fish and seafood. Volume and value of each fishery is also used to evaluate year to year changes in fish harvesting employment as a result of changes in volume and value.

A natural counterpart to fish and seafood harvesting is fish and seafood processing. Most fish must be processed promptly to preserve the quality required by consumers. At times, the primary processing occurs in Alaska with the fish and other seafood transported to secondary processors for distribution. Only that processing employment that occurs in Alaska is presented in this article.

Fish processing employment numbers are obtained from a compilation of reports submitted by firms in compliance with state unemployment insurance laws. These quarterly reports contain employment for each month of the quarter and total wages for the quarter. Employment figures for fish and seafood processing are derived from standard industrial classification (SIC) codes 2091, canned and cured fish and seafood; 2092, fresh or frozen packaged fish and seafood; 4222, refrigerated warehousing; and 5146, wholesale trade (fish and seafoods). Fish processing employment figures are more precise than fish and seafood harvesting employment figures. Fish and seafood processing employment cannot be delineated by species processed due to reporting requirements and the fact that one processor may handle more than one species.

A wide range of activities are included in fish and seafood harvesting and processing. Harvesting employment includes captains and crews, those people actually working on the fishing vessels. Fish processing employment employs a wider range of occupations. Fish processing employment includes everyone employed from tender crews to cannery workers to cold storage.

Fish and seafood harvesting and processing data are organized to correspond with four of Alaska's six labor market areas: Southeast, Gulf Coast, Southwest, and Northern. The statewide totals are the total of the four regions plus a miscellaneous category. Since the data are estimates, any further disaggregation would make the data less reliable. Fish processing data are organized to correspond to fish harvesting areas. Fish processing information is available at the census division level but is subject to limits imposed by confidentiality restrictions.

Several factors affect participation in fish harvesting employment but analysts are amazed at the tenacity of fish harvesters to remain fishing in the face of low stocks, low prices, and poor working conditions. Under economic theory one would expect fishermen to quit plying the waters once the value of the fish caught drops below the cost of catching the fish. One aspect of fishing that keeps harvesters in the water is a multitude of species and mobility of the vessels. (This also makes employment in fish harvesting difficult to count.) When the value or stock of one species of fish or seafood declines, vessels are able to physically move to more productive waters and, within certain limits, alter the gear type to target their effort on another species. Some of the limitations to convertibility are boat size, limited entry, cost of boat or gear conversion, and fishing regulations.

A second factor that discourages the exit of fishermen from the industry is the cost of leaving the industry. Fishermen continue to fish as long as the variable costs (fuel and oil, bait, and other supplies consumed in a season) can be paid in the hope of an improved season the following year. One reason is a salvage value of the fixed assets (such as boat, permit, and gear) that is lower than the acquisition cost of those assets. Given that the fisherman would lose money by selling boat and gear, the fisherman is reluctant to relinquish those assets in the hope that cyclical stocks will rebound and fishing will once again be profitable.

Finally, even if the fishery declines for a series of seasons, fishermen are unwilling to change their way of life. Prices received for fish would have to drop to the point where the full vessel payments could not be met for a period of seasons before fish harvesters would be likely to sell out and move into other occupations. A cost is also associated with the transfer of occupations. Costs are incurred for retraining or even for moving to areas with better labor possibilities. The ones who could easily make the transition from fishing are those fish harvesters who are already engaged in another occupation between fishing seasons. However, this second occu-

pation also allows them to continue operating longer than they might otherwise.

As an example of the willingness of fish harvesters to remain fishing despite difficulties, shellfish volume from 1980 to 1982 decreased 61% while shellfish employment increased 11.4% during the same period. Most of the vessels engaged in crab harvesting are in the 50 to 150 foot range making them difficult to convert to another fishery and difficult to sell since the vessels are specialized for crabbing. Only if crab stocks remain low will the vessels be sold or converted.

Unlike fish harvesters, which are usually small operations of the owner operated vessel plus the crew, fish processors are large firms that hire employees on a seasonal basis. The employees of processors are less attached to the work force since they have less direct investment in the firm than a fish harvester would have in a fishing operation. This situation makes fish processing employment subject to immediate market conditions. From 1981 to 1982 annual average statewide fish processing employment decreased 15.7%. The reasons for the employment drop range from a change in species mix to a change in production factors.

One factor affecting fish processing employment is large volume drops in the shellfish catch. Effort to harvest shellfish remained high to cash in on high ex-vessel prices but the volume caught dropped 87,473,000 pounds or 37.8% from 1981 to 1982. By examining fish processing employment one sees the largest monthly differentials occur during October, November, and December between 1981 and 1982 when monthly employment decreased an average of 34.5%. These are the prime shellfish harvesting months. Meanwhile during July, August, and September (the prime salmon harvesting months) fish processing employment decreased an average of 1.7% from 1981 to 1982. Both 1981 and 1982 saw high levels of fish caught.

Another factor that contributed to declines in fish processing employment was the record breaking 1981 fishing season. A high 1981 canned salmon inventory was carried into 1982. The movement of these inventories was slowed by the botulism scare in the spring of 1982. These high inventories pushed the processors to switch production from canned salmon to fresh and frozen salmon. The 1982 canned salmon pack was 47% less than the 1981 pack. The percentage of the salmon catch that was canned dropped from 55% to 32%. The percentage of the pack that was frozen increased from 45% to 68%. From 1981 to 1982 the amount of fresh salmon processed increased 33.8%. The significance this has on fish processing employment is that frozen or fresh salmon requires fewer numbers of employees than canned salmon. With a switch to fresh and frozen salmon the number of people working in fish and seafood processing industry-wide declined.

Though bottomfish comprised only 7% of the total catch in 1982 it has the

potential for affecting fish processing employment in the future. Between 1981 and 1982 the bottomfish catch increased 66%, from 39,888,000 pounds to 66,323,000 pounds. Indications are that 1983 experienced similar increases. With the current demise in the crab fishery the larger crab boats are switching to bottomfish trawling thereby portending an increase in bottomfish volumes in the future. Unless more shore-based facilities are developed these fish will probably be processed by foreign joint ventures. Foreign joint ventures are counted for unemployment insurance purposes only if they perform their processing functions within the three mile limit of state jurisdiction. If the processing occurs outside of three miles the state does not require that the employment be reported. Due to this limitation an increase in bottomfish production may not increase Alaska's fish processing employment or at best increase fish processing employment at a slower rate than bottomfish production.

To refine fish harvesting employment estimates, efforts are being made to improve the current methodology. A survey of permit holders is being planned to improve the critical crew factor data and the Commercial Fishing Entry Commission is adjusting the computer programs to improve the landings data. More accurate data will make the fish harvesting employment estimates more reliable.

The data presented in this article are summarized. A more detailed presentation of data and discussion of results is presented in *Alaska Fish Harvesting and Processing Employment 1982* currently being published.

Fish and Seafood Processing
Annual Average Employment

	1981	1982	% Change from 1981 to 1982
Southeast	2068	1541	-25.5
Gulf Coast	3190	2905	-8.9
Southwest	2378	2057	-13.5
Northern	195	102	-47.7
Statewide 1	7830	6604	-15.7

1 May not sum due to rounding.

Fish and Seafood Harvesting Average Annual Employment
1981

Species/Gear	Southeast	Gulf Coast	Southwest	Northern	Statewide
Salmon					
Purse Seine	339	624	269	—	1231
Drift Gillnet	224	397	919	803	2343
Beach Seine	—	23	—	—	23
Set Gillnet	98	320	384	—	801
Power Troll	482	—	—	—	482
Hand Troll	260	—	—	—	260
Traps	—	—	—	—	—
Fish Wheels	—	—	—	22	22
Shellfish					
King Crab-Pots	25	256	431	17	728
Dungeness-Pots	41	103	•	—	144
Tanner-Pots	34	166	304	—	504
Shrimp-Pots	18	39	1	—	57
-Beam Trawl	13	6	—	—	18
-Otter Trawl	1	34	4	—	40
-Double Otter Trawl	—	32	3	—	35
Scallops-Dredge	10	23	—	—	34
-Otter Trawl	1	—	—	—	1
Clams-Dredge	—	—	—	—	—
Clams-Shovel	—	20	—	—	20
Halibut					
Licensed-Longline 1/	270	260	22	—	552
Unlicensed Longline	30	41	3	—	74
Power Troll/Jigs	3	2	3	—	9
Hand Troll	2	—	—	—	2
Bottomfish					
Longline 2/	29	4	1	—	34
Otter Trawl	3	10	27	—	39
Double Otter Trawl	—	2	—	—	2
Beam Trawl	—	—	•	—	•
Pots	—	—	—	—	—
Power Troll/Jigs	1	5	•	—	6
Hand Troll	1	—	—	—	1
Sablefish/Black Cod					
Longline	56	—	—	—	56
Pots	1	—	—	—	1
Herring					
Purse Seine	42	66	63	—	171
Roe Kelp	—	22	—	•	22
Set/Drift Gillnet 3/	35	45	27	73	180
Pair Trawl	—	1	—	—	1
Miscellaneous 4/	—	—	—	—	6
Total	2019	2500	2461	915	7898

See footnote, page 8.

Fish and Seafood Harvesting Average Annual Employment
1982

Species/Gear	Southeast	Gulf Coast	Southwest	Northern	Statewide
Salmon					
Purse Seine	418	519	285	—	1221
Drift Gillnet	232	471	895	804	2402
Beach Seine	—	16	—	—	16
Set Gillnet	94	333	378	—	804
Power Troll	527	—	—	—	527
Hand Troll	248	—	—	—	248
Traps	—	—	—	—	—
Fish Wheels	—	—	—	17	17
Shellfish					
King Crab-Pots	33	299	307	44	683
Dungeness-Pots	70	147	8	—	226
Tanner-Pots	53	230	270	—	552
Shrimp-Pots	26	39	—	—	65
-Beam Trawl	11	3	—	—	14
-Otter Trawl	1	26	1	—	28
-Double Otter Trawl	—	27	•	—	27
Scallops-Dredge	8	20	—	—	28
Clams-Dredge	—	—	—	—	—
Clams-Shovel	—	25	—	—	25
Halibut					
Licensed-Longline *1/*	315	412	52	—	779
Unlicensed Longline	29	50	5	—	83
Power Troll/Jigs	5	4	—	—	9
Hand Troll	2	—	—	—	2
Bottomfish					
Longline *2/*	23	3	1	—	27
Otter Trawl	3	22	49	—	73
Double Otter Trawl	—	•	—	—	•
Beam Trawl	—	—	•	—	•
Pots	—	—	—	—	—
Power Troll/Jigs	1	1	—	—	2
Hand Troll	•	—	—	—	•
Sablefish/Black Cod					
Longline	59	3	—	—	62
Pots	1	—	—	—	1
Herring					
Purse Seine	44	52	71	—	167
Roe Kelp	—	12	—	2	14
Set/Drift Gillnet *3/*	19	30	64	64	177
Miscellaneous *4/*	—	—	—	—	7
Total	2220	2744	2385	930	8285

See footnote, page 8.

1/ Licensed and unlicensed longline gear categorized by vessel weight: Licensed = 5 net tons or more; Unlicensed = less than 5 net tons.
2/ Longline gear not differentiated for bottomfish.
3/ Set and drift gillnet gear combined for herring.
4/ Contains gear and specie combinations not elsewhere classified. A value of 1 was assigned to each unduplicated landing.

• Average annual employment is less than .5.

ALASKA

By Ed Eboch

Nonagricultural wage and salary employment declined in December as seasonal layoffs affected construction and state and local education employment. While the unemployment rate for December was down significantly from November the annual average rate for 1984 was above that of 1983 as employment growth slowed.

Unemployment Rate
by Region and Selected Census Divisions
1982-1984 Annual Average

	Unemployment Rates		
	1982	1983	1984
Alaska Statewide	10.0	10.4	10.5
Anchorage-Matsu Region	8.0	8.3	8.5
Anchorage	7.4	7.6	7.8
Matanuska-Susitna	13.5	15.1	14.6
Gulf Coast Region	13.5	13.2	12.8
Interior Region	13.3	15.1	14.8
Fairbanks	13.5	15.3	15.0
Northern Region	8.1	8.7	9.1
Southeast Region	11.3	12.3	12.9
Juneau	8.5	9.7	10.6
Southwest Region	10.4	9.6	9.4

Initial data indicated less people looking for work in December, than would be normal for this time of year, which reduces the workforce faster than the drop in employment. However, initial claims in the key week for January 1985 were above the like period last year.

Services Employment

With the growth of tourism in Alaska and the demand for personal and business services expanding the service sector has been one of Alaska's fastest growing industries. From the second quarter 1981 to the second quarter 1984 (the most recent actual data) service related employment grew 29.4% versus a growth in total nonagricultural employment of 20.1%. The service employment share of total employment grew from 17.9% to 19.3% during this period.

NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT
BY PLACE OF WORK
ALASKA

	P/	R/	CHANGES FROM:		
	12/84	11/84	12/83	11/84	12/83
Nonag. Wage & Salary	213300	218000	206200	-4700	7100
Mining	7800	7700	7700	100	100
Construction	16200	18500	17200	-2300	-1000
Manufacturing	8300	8800	7800	-500	500
Food & Kindred Prod.	3400	3800	3000	-400	400
Lumber & Paper Prod.	1900	2100	2000	-200	-100
All Other Mfg.	3000	2900	2800	100	200
Trans. Comm. & Utilities	18400	18700	17700	-300	700
Trucking & Whseing.	2100	2200	2000	-100	100
Water Transportation	1300	1300	1400	0	-100
Air Transportation	5700	5800	5500	-100	200
Other Trans. Comm. & Utilities	9300	9400	8800	-100	500
Trade	44400	44500	44400	-100	0
Wholesale	8400	8500	8100	-100	300
Retail	36000	36000	36300	0	-300
Gen. Merchandise & Apparel	5400	5200	5600	200	-200
Food Stores	5500	5600	6100	-100	-600
Eating & Drinking Places	12300	12600	11900	-300	400
Other Retail Trade	12800	12600	12700	200	100
Finance-Ins. & Real Estate	11300	11400	10900	-100	400
Services & Misc.	41100	41800	37700	-700	3400
Government	65800	66600	62800	-800	3000
Federal	17700	17600	17800	100	-100
State	19500	20100	18700	-600	800
Local	28600	28900	26300	-300	2300

Prepared in cooperation with the U.S. Bureau of Labor Statistics.

Government includes teachers in primary and secondary schools, and personnel employed by the University of Alaska.

Benchmark Date March 1983.

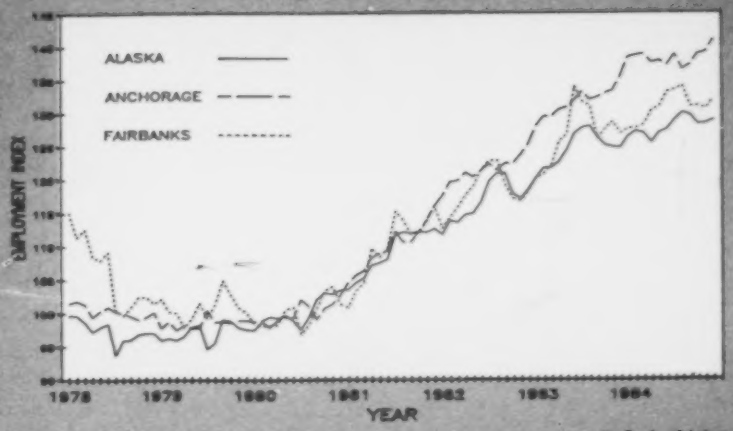
P/ Denotes premilinary estimates.

R/ Denotes revised estimates.

Service Industry Employment

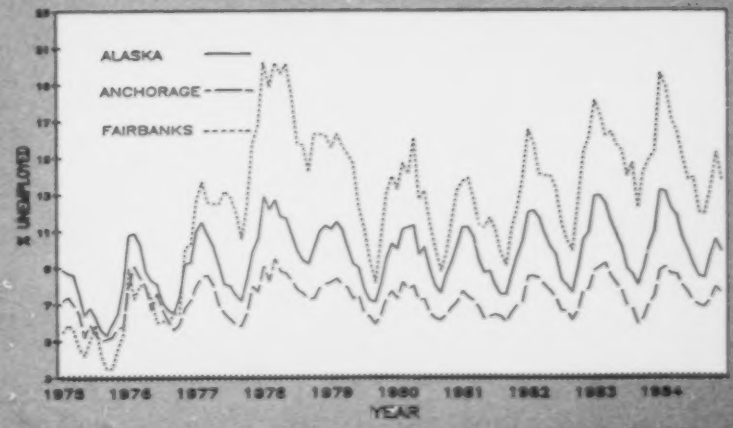
	2Q 1981	2Q 1984	Percent Change
Hotel, Motels	3642	4738	30.1
Management, Consultants & Pub. Rel.	905	1267	40.0
Business Services	4838	6698	38.4
Medical Services	6307	8257	30.9
Personal Services	1176	1853	57.6
Auto, Other Repair Services	1235	1591	28.8
Recreation Services	896	1250	39.5
Eng., Architectural & Surveying Svcs.	2318	3099	33.7
Other Services	12044	14419	19.7
Total Services	33362	43172	29.4
Total Nonag. Wage & Salary Employment	185986	223411	20.1
Services as a % of Nonag. Wage & Salary Employment	17.9%	19.3%	

Composite Nonag. Employment Indexes Seasonally Adjusted 1978 to Present



source: Ak. Dept. of Labor

UNEMPLOYMENT RATES NOT SEASONALLY ADJUSTED 1975 to Present



source: Ak. Dept. of Labor

ANCHORAGE/MATSU

By Greg Huff

Changes in the Structure of the Anchorage Economy 1980-1984

The Anchorage economy has been growing rapidly the past several years with a resulting change in the composition of industry activity. Anchorage's economy is going through the process of import substitution, economies of agglomeration and scale, general increased diversification of the economy and the introduction of new technologies. These structural changes reflect a maturing Anchorage economy.

Import substitution is the phenomena whereby as a market grows it can support more goods and services produced or sold locally, goods that previously had to be imported into the region. Economies of agglomeration happens when certain industries become large enough to make it possible for other industries to develop that are either suppliers of the input or users of the output of the expanding industry. An example is the oil industry which has grown to a size enabling it to support a variety of suppliers and vendors. Agglomeration economies may also be represented by a mall with large "anchor" stores that generate enough customer traffic so that small specialty shops may also be viable. Economies of scale occur when the market is of a size to support large firms able to produce at lower cost or where the cost of transporting goods and services is reduced as the market becomes great enough to support more efficient transportation methods.

In order to identify these changes in the Anchorage economy, three sets of variables are reviewed:

1. The change in the composition of industry activity as measured by the change in the percentage share of total employment of each industry.

2. The change in the average number of firms by industry.

3. The change in the average size of firms as measured by average employment per firm.

The analysis is limited to comparing data for the first half of 1980 to the data for first half 1984 (which are the most current and detailed employment statistics available).

An industry with its percent share of total employment rising is growing relative to the Anchorage economy as a whole. An industry with a declining share reflects growth below that of the overall economy. Those with roughly stable shares reflect growth at about the same rate as the

economy as a whole. The industries that are increasing in size are generally most viable. Growth in the number of firms across broad industry divisions suggest relative ease of entry into the market. Where the number of firms remain constant in an industry but the percent share of that industry grows indicates barriers to new entrants. Industries that fall into roughly constant and declining percentage shares would be considered low or no growth industries.

Mining

Since the arrival of the North Slope oil and gas producers to Anchorage, the mining industry has continued to increase its share of total employment. Although this trend has stabilized from the rapid expansion days of the 1970's, in 1984 the mining industry represented 3.4% of total employment up from 3.3% in 1980. The oil and gas industry is very capital intensive and employment measurements do not reflect the overall impacts of the industry on Anchorage's economy. Oil development has been and will remain a leading catalyst for growth.

Within the oil and gas industry, there were mixed reviews among the various subindustries. The major producers and exploration service companies experienced increases in percent share of total employment, increases in the number of firms and in their size. The producers averaged 198 employees in 1984. This average obscures the make-up of the industry which consists of two large major companies and several smaller sized partners.

The general services companies did not fair as well for the first four years of the 1980s. These industries experienced slower growth rates than the overall growth rate for oil and gas employment resulting in a declining proportion of total employment. The average number of employees fell as well (from 27 employees to 24 employees). These declines are due to the overall drop in drilling activity around the state, larger and more advanced rigs that can do more work in less time and generally a highly competitive market for drilling and service company services.

Nonmetalic mineral mining, which is mostly sand and gravel mining, has experienced declines in market share as these operations moved to Mat-su gravel and sand deposits.

Construction

The percent share and number of firms in construction increased from 1980 to 1984 while the average size of the firm declined. This reflects a strong construction period, but also suggests a competitive atmosphere. In spite of the recent building boom, the percent share of construction employment did not reach the levels of some past construction booms. For the most part, the relative decline in percentage share of employment

reflects the gradual maturation of Anchorage's economy.

Although construction employment share is declining relative to total employment, the proportion of construction employment in Anchorage is still above the national average. Construction overall is comprised of small firms averaging 5.9 employees per firm compared to Anchorage's private sector average of 11.9 employees per firm. The largest construction firms are general, heavy, and electrical construction contractors.

The residential, plumbing and heating,electrical, masonry, carpeting and floor coverings, roofing and concrete contractors were the most dynamic of the construction sectors during the period with increasing percent share, larger size of firms and greater number of firms. As construction activity slows, percent share will decline as the size of firms get smaller and the number of firms decline.

Manufacturing

By providing inputs to the residential and commercial construction industry, employment of lumber and wood products manufacturers grew dramatically in Anchorage. Firms in this sector increased their share of total employment and doubled their size from 8 employees per firm to 16 employees per firm. As construction activity slows, the lumber and wood products manufacturing sectors' performance will reflect the slowdown.

The printing and publishing industry also faired well over the period, increasing in percent share, size of firm, and number of firms. Printing and publishing employment increased to 1,170 employees in 1984, almost double that of 1980. The average size firm grew from 20 to 26 employees per firm and 10 new firms entered the market. However, declining shares were registered in food and kindred, textile mill and fabricated metal products.

Transportation, Communications and Utilities

This industry has tended to decline relative to the economy as a whole. Its proportion of total employment fell two percentage points over the period to 8.4%. The average size also fell from 28 employees per firm to 26 employees per firm while the total number of firms increased. Because some of these industries, particularly the communications and utilities sectors tend to be relatively capital intensive, a decline in employment is not necessarily an indication that production has not kept pace with the overall growth of the economy. Also, economies of scale may be important suggesting that output growth may exceed the rate of growth of employment.

Within the communications industry, TV and radio stations was the only sector which increased its position in all categories, increasing in percent share, size and number of firms. Most reflective of this growth is the

advance from 27 employees per firm in 1980 to 42 employees per firm in 1984.

The trucking and warehouse industry over the period felt the impact of an increasingly competitive market. The number of firms increased by 60% while employment grew only 17% as the average size of firms dropped from 12 to 9 employees per firm. Air transportation firms increased in size and number over the period, but employment grew at a slightly slower pace relative to the economy as a whole. These numbers do not include the Wien bankruptcy and layoffs which will negate some of the advances the air transportation industry has made since 1980.

Wholesale and Retail Trade

Employment in the wholesale and retail trade industries increased to 25% of total employment in Anchorage in 1984, surpassing government as the largest sector of the Anchorage economy. The two major subsectors of wholesale trade faired well over the period. The durable goods sector had a growing percent share, increased firm size and sharp advances in the number of firms, particularly in the machinery equipment and supply industry. The nondurable sector did not grow as fast as the durable goods sector, but still registered advances in all areas, except for the beer and wine distributors, whose share remained roughly stable while their size declined.

Within the retail trade industries, the eating and drinking establishments represent the largest concentration of retail employment, accounting for 7% of total Anchorage employment, up from 5.6% in 1980. Eating establishments are the dominating force in the increased share of the eating and drinking sector. The number of firms have increased dramatically over the four-year period from 164 firms in 1980 to 238 firms in 1984. Their percent share has increased two percentage points and the average size increased by eight employees per firm to 28.

On the other hand, employment in drinking establishments grew considerably slower than employment in the Anchorage economy as a whole which is reflected by a sharp decline in percent share. The number of firms also fell from 81 to 78 although the remaining firms did increase their size from 10 to 10.5 employees per firm. This trend may reflect the tight liquor license controls.

Other industries within the retail trade sector which registered declines were the large department merchandisers and drug stores. The declining share of employment in the department merchandiser sector has been a long running phenomenon. The number of establishments have remained at six for many years. Average employment per firm dropped slightly, but they still remain the largest segment of the retail trade industry with over 250 employees per store. The decline in the relative importance of drug stores has also been a long-term trend with emphasis towards the "super

LABOR FORCE BY REGION AND CENSUS DIVISION

	Labor Force			Unemployment			Rate			Employment		
	P 12/84	R 11/84	12/83	P 12/84	R 11/84	12/83	P 12/84	R 11/84	12/84	P 12/83	R 11/84	12/83
Alaska Statewide	237698	241232	224121	23513	25291	24497	9.9	10.5	10.9	214185	215941	199624
Anchorage-MatSu Region	127861	128584	118166	10624	11123	9982	8.3	8.7	8.4	117237	117461	108184
Anchorage	115060	115684	106057	8688	9108	7899	7.6	7.9	7.4	106372	106576	98158
Matanuska-Susitna	12801	12900	12109	1936	2015	2083	15.1	15.6	17.2	10865	10885	10026
Gulf Coast Region	25185	25672	23922	3351	3181	3327	13.3	12.4	14.2	21834	22491	20535
Cordova	1319	1345	1255	150	141	156	11.4	10.5	12.4	1169	1204	1099
Kenai	12953	13170	12479	1828	1710	2016	14.1	13.0	16.2	11125	11460	10463
Kodiak	5755	5846	5215	769	710	526	13.4	12.1	10.1	4986	5136	4689
Seward	1830	1880	1733	273	276	269	14.9	14.7	15.5	1557	1604	1464
Valdez	3328	3431	3240	331	344	420	9.9	10.0	13.0	2997	3087	2820
Interior Region	31775	32613	29802	4271	4970	4521	13.4	15.2	15.2	27504	27643	25281
Fairbanks	26001	26608	24331	3584	4077	3725	13.8	15.3	15.3	22417	22531	20606
Southeast Fairbanks	2523	2648	2369	284	388	302	11.2	14.7	12.7	2249	2260	2067
Upper Yukon	766	813	743	95	139	127	12.4	17.1	17.1	671	674	616
Yukon-Koyukuk	2475	2544	2359	308	366	367	12.4	14.4	15.6	2167	2178	1992
Northern Region	10654	10921	10662	575	777	1109	5.4	7.1	10.4	10079	10144	9553
Barrow-North Slope	2838	2894	2847	119	158	270	4.2	5.5	9.5	2719	2736	2577
Kobuk	3305	3438	3299	177	290	334	5.4	8.4	10.1	3128	3148	2965
Nome	4511	4589	4516	279	329	505	6.2	7.2	11.2	4232	4260	4011
Southeast Region	31196	32159	30938	3926	4325	4430	12.6	13.4	14.3	27270	27834	26508
Angoon	393	419	398	32	51	47	8.1	12.2	11.8	361	368	351
Haines	1117	1145	1087	197	206	193	17.6	18.0	17.8	920	939	894
Juneau	11056	11335	10809	1157	1230	1186	10.5	10.9	11.0	9899	10105	9623
Ketchikan	6751	7003	6515	1015	1148	939	15.0	16.4	14.4	5736	5855	5576
Outer Ketchikan	788	893	789	112	203	132	14.2	22.7	16.7	676	690	657
Prince of Wales	1456	1556	1544	194	268	317	13.3	17.2	20.5	1262	1288	1227
Sitka	4435	4508	4397	436	426	510	9.8	9.4	11.6	3999	4082	3887
Skagway	1623	1652	1727	289	291	431	17.8	17.6	25.0	1334	1361	1296
Wrangell-Petersburg	3577	3648	3672	494	502	675	13.8	13.8	18.4	3083	3146	2997
Southwest Region	11027	11283	10631	766	915	1068	6.9	8.1	10.0	10261	10368	9563
Aleutian Islands	2864	2916	2757	74	97	156	2.6	3.3	5.7	2790	2819	260
Bethel	3543	3671	3402	279	373	360	7.9	10.2	10.6	3264	3298	3042
Bristol Bay Borough	401	408	375	33	36	32	8.2	8.8	8.5	368	372	343
Bristol Bay	1518	1515	1445	140	123	161	9.2	8.1	11.1	1378	1392	1284
Kuskokwim	978	1008	971	88	109	142	9.0	10.8	14.6	890	899	829
Wade Hampton	1723	1765	1681	152	177	217	8.8	10.0	12.9	1571	1588	1464

P = Preliminary 1984 Benchmark

R = Revised

Federal guidelines require the use of unrounded labor data, adjusted to be consistent with the Current Population Survey (CPS) in formulas used to allocate federal funds. Comparisons between different time periods are not as meaningful as other time series published by the Alaska Department of Labor; because Alaska's CPS sample size is inadequate to accurately indicate monthly changes in level. The sampling errors are random in nature; meaning that the unemployment rates, in any given month, are as likely to be high as frequently as they are low. The official definitions of unemployment, currently in place, exclude anyone who has made no attempt to find work in the four week period up to and including the week that includes the twelfth of each month. Most economists feel that Alaska's bush localities have proportionately more of these discouraged workers.

drug-grocery store" mix.

Auto dealers benefited from the rapidly expanding Anchorage and state economies of the early 1980's. This is reflected by the increase in the average size from 31 to 55 employees per firm, advancing it's percent share while the number of firms remained constant.

The lumber and building supply sector grew fast from 1980 to 1984, doubling its share of employment and increasing its average size from 14 to 28 employees per firm. This sector wasn't the only industry to ride the tide of the construction boom. The household item reatil sector registered positive gains across the board. This industry represents firms selling household items ranging from furniture to radios and TVs. This lucrative industry grew twice as fast as the economy as a whole, doubling their average size and doubling the number of firms.

The grocery store sector was one retail industry where there were very few newcomers into the Anchorage market, but those established firms grew at a rapid rate, nearly doubling the average size of their establishments from 54 employees per store to 90 per store, enough to increase their percentage share of total employment.

Finance, Insurance and Real Estate

Banking is among the largest industries in Anchorage, averaging 168 employees per firm in 1984. This is sixteen employees per firm more than in 1980. Although the size and the number of banks increased over the period, the percent share of total employment remained relatively stable growing at about the same pace as overall employment in the Anchorage economy. Credit Unions, on the other hand, grew more rapidly increasing their share of total employment and the number of employees per firm by over 50%. The number of credit unions advanced by 38%, from 29 to 40 establishments. Deregulation appears to have contributed to many changes in the banking industry.

Other financial institutions including insurance carriers and agents, real estate brokers and agents and other investment establishments generally grew faster than overall employment, increasing their percentage share of employment, their size and the number of firms.

Services

The services industry was among the strongest growth industries in Anchorage with a majority of subindustries registering growth in percent share, size and number of firms. Overall the services industry share advanced one percentage point to over 21% of total Anchorage employment. A sign of competition and relative ease of entry into the market was the large increase in the number of service firms, from 1,708 in 1980 to 2,314 in

1984. Personal services, business services, and auto repair were among the fastest growing service sectors. These firms benefited from the impacts of a growing number of tourist and business visitors, a sharp increase in the number and size of businesses and an increase in the level of population all of which have contributed to faster than average employment growth, increased firm size and an increase in the number of firms in those services sectors.

The number of physician and dental offices increased 18% from 1980 to 1984 while employment in those offices generally grew at the same rate as total Anchorage employment. No new hospitals were built in Anchorage and employment in the two existing hospitals grew at a slower pace than overall employment growth. The engineering, architectural, accounting and auditing sector faired very well over the four years advancing their relative share of employment, average size of firms and increasing their number.

With the continuing advances in women's labor force participation and with a rapidly growing economy one would expect increases in the number of child care establishments. However, employment growth for child care facilities was sluggish resulting in percent share declines as well as declines in the average size facility. The number of establishments, however, did increase by 18% over the period. Many working parents are using a variety of alternative arrangements. In general, the social services sector has not kept pace with the overall growth of the Anchorage economy.

Government

The overall dependence of Anchorage's economy on government continued to decline in the early 1980's. Governments share of total employment fell form 29% to 24% from 1980 to 1984. This decline is primarily a result of a declining share of federal government employment. The state and local government employment share has remained fairly constant.

Conclusion

The majority of industries in Anchorage exceeded the average employment growth rate for the Anchorage economy as a whole. Only a handful of industries suffered an absolute decline in employment. At the same time, several sectors with positive growth rates grew at a slower rate than the overall growth rate of the Anchorage economy.

The bulk of Anchorage firms have less than 20 employees. The larger firms are concentrated in transportation, communications and utilities and a few other industries including hospitals, commercial banking, oil and gas, food and general merchandise stores . A majority of jobs created in Anchorage during the period from 1980 to 1984 were based in the smaller industries.

NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT
BY PLACE OF WORK
ANCHORAGE

	P/ 12/84	R/ 11/84	CHANGES FROM: 12/83	11/84	12/83
Nonag. Wage & Salary	109800	110550	105300	-750	4500
Mining	3600	3500	3350	100	250
Construction	8300	9050	8550	-750	-250
Manufacturing	2250	2450	2150	-200	100
Food & Kindred Prod.	300	400	300	-100	0
Other Mfg.	1950	2050	1850	-100	100
Trans. Comm. & Utilities	9150	8900	8850	250	300
Trucking & Whseing.	1200	1150	1350	50	-150
Water Transportation	350	350	350	0	0
Air Transportation	3550	3650	3600	-100	-50
Other Trans. Comm. & Utilities	4050	3750	3550	300	500
Trade	28050	28000	27000	50	1050
Wholesale	6300	6300	6050	0	250
Retail	21750	21700	20950	50	800
Gen. Merchandise	1950	1900	2000	50	-50
Food Stores	2950	3050	2650	-100	300
Eating & Drinking Places	8100	8150	7750	-50	350
Other Retail Trade	8750	8600	8550	150	200
Finance-Ins. & Real Estate	7800	7750	7150	50	650
Services & Misc.	24650	24700	23000	-50	1650
Government	26000	26200	25250	-200	750
Federal	10200	10150	9950	50	250
State	6750	6850	6450	-100	300
Local	9050	9200	8850	-150	200

NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT
BY PLACE OF WORK
ANCHORAGE-MATSU

	P/ 12/84	R/ 11/84	CHANGES FROM: 12/83	11/84	12/83
Nonag. Wage & Salary	115700	116800	110600	-1100	5100
Mining	3600	3500	3350	100	250
Construction	8900	9700	9150	-800	-250
Manufacturing	2350	2550	2250	-200	100
Trans. Comm. & Utilities	9450	9400	9300	50	150
Trade	29350	29250	28150	100	1200
Finance-Ins. & Real Estate	8150	8150	7500	0	650
Services & Misc.	25850	26000	23900	-150	1950
Government	28050	28250	27000	-200	1050

Anchorage Industry Composition
by Major Industry Group

	Percent Share 1980*	Percent Share 1984*	Average Employment per Firm 1984*	Number of Firms 1984*
Mining	3.3	3.4	37.3	97
Construction	6.6	8.3	5.9	1501
Manufacturing	2.1	2.1	13.6	163
Trans. Comm. & Utilities	10.4	8.4	25.7	345
Wholesale Trade	5.1	6.0	13.0	490
Retail Trade	16.2	18.5	18.6	1054
Finance-Ins. & Real Estate	6.5	7.0	13.5	542
Services	20.5	21.5	9.8	2314
Government	28.7	24.3	**	92
Agricultural and Misc.	.6	.5	**	291
Total	100.0	100.0	15.3 ***	6889

Source: Research and Analysis, Alaska Department of Labor

* 1st Six months data.
** Not meaningful.
*** 11.8 Employees per firm for all industries less government.

FAIRBANKS/INTERIOR

By Neal Fried

Fairbanks's Unemployment Picture

The nation has become obsessed with tracking a variety of monthly economic indicators, including the unemployment rate. Each month these figures are scrutinized and interpreted in great detail regardless of the magnitude of change. The American public has therefore become much more aware of the unemployment rate and to an extent now consider it when trying to make a decision when moving to a new area to find employment. However, many people must not consider the unemployment rate when considering moves to Alaska. People are continuing to come to Alaska and Fairbanks looking for work when the nation's unemployment rate was 7.3% in December and the latter two were 9.9% and 13.8%.

Fairbanks' unemployment rate during the past 5 years has been far from predictable. The rate began to fall in 1981 when Fairbanks' economy began to expand. The downward trend in unemployment did not continue, in spite of the fact that employment growth continued to gain momentum. From 1980 through 1984 the number of new jobs created in Fairbanks was approximately 6,800. With this kind of growth, one would expect some corresponding decline in the unemployment rate. Instead, the number of unemployed grew from an annual average of 2,500 in 1980 to 4,000 in 1984 and the unemployment rate climbed from 12.4% to 15.0%.

The Fairbanks labor market was in some respects simply overwhelmed with job seekers, many who had lost their jobs in the national recession during this period of time. The local labor market simply was not able to absorb all the job seekers, regardless of the phenomenal growth in employment. In 1984, the unemployment rate finally began to level off, mirroring 1983's picture closely. The national economy bounced back in 1984 which has helped take off some of the pressure of new job seekers in Fairbanks economy.

Annual unemployment of 15.0% normally would represent a stagnant or declining labor market. Despite these high unemployment rates, Fairbanks' labor market has been extremely dynamic, providing new job opportunities in most of its industries. The local economy has provided new jobs to thousands of job seekers and has given the opportunity for others to seek out new opportunities. Fairbanks traditionally has always had a higher base unemployment rate because of a strong seasonal work force. Fairbanks is the home to many workers who work outside of the Fairbanks area when employed (North Slope, fire fighting, highway construction, etc). When they are laid off, seasonally or otherwise, they collect their unemployment benefits in Fairbanks. This is illustrated by the fact that Fairbanks employs approximately 12% of the state's covered labor force, but is responsible for

16% of the unemployment claimants.

Though the number of jobs has been growing, the unemployment rate does indicate a competitive labor market, particularly during the winter months when the rates can climb as high as 18-19%. The wave of job seekers has often come with good skills and experience, contributing to the competitiveness found in the local labor market. It is becoming increasingly necessary to have the right skills to find self sustaining employment in Fairbanks.

If the national economy continues to remain healthy, the flow of job seekers should abate somewhat. Employment will grow, though more slowly than in 1984. These two factors combined will likely make for a 1985 unemployment picture much like that experienced in 1984.

Unemployment Rates
1980-1984

	Fairbanks	Alaska	U.S.
1980	12.4	9.6	7.1
1981	11.7	9.2	7.6
1982	13.5	10.0	9.7
1983	15.3	10.4	9.6
1984	15.0	10.5	7.5

Fairbanks' Unemployment Rate
by Month
1984

January	19.6
February	18.9
March	17.1
April	16.4
May	15.0
June	13.8
July	13.9
August	12.0
September	11.9
October	13.2
November	15.3
December	13.8
Annual Average	15.0

NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT
BY PLACE OF WORK
INTERIOR

	P/ 12/84	R/ 11/84	CHANGES FROM: 12/83	11/84	12/83
Nonag. Wage & Salary	30850	31200	29350	-350	1500
Mining	250	300	350	-50	-100
Manufacturing	550	550	500	0	50
Trans. Comm. & Utilities	3400	3400	3350	0	50
Trade	6000	6050	6050	-50	-50
Finance-Ins. & Real Estate	1100	1100	1050	0	50
Services & Misc.	5600	5650	5300	-50	300
Government	11600	11400	10700	200	900

NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT
BY PLACE OF WORK
FAIRBANKS

	P/ 12/84	R/ 11/84	CHANGES FROM: 12/83	11/84	12/83
Nonag. Wage & Salary	26900	27450	25900	-550	1000
Mining	100	150	200	-50	-100
Construction	2250	2650	2000	-400	250
Manufacturing	500	550	450	-50	50
Trans. Comm. & Utilities	2700	2650	2650	50	50
Trucking & Whseing.	450	450	450	0	0
Air Transportation	650	650	600	0	50
Other Trans. Comm. & Utilities	1600	1550	1600	50	0
Trade	5600	5600	5700	0	-100
Wholesale	1000	1000	900	0	100
Retail	4600	4600	4800	0	-200
Gen. Merchandise & Apparel	550	500	500	50	50
Food Stores	750	750	750	0	0
Other Retail Trade	3300	3350	3550	-50	-250
Finance-Ins. & Real Estate	1050	1050	1000	0	50
Services & Misc.	5200	5200	4900	0	300
Government	9500	9600	9000	-100	500
Federal	2700	2650	2550	50	150
State	3950	4200	3800	-250	150
Local	2850	2750	2650	100	200

GULF COAST

By Neal Fried

Kodiak's Employment Picture

Kodiak's economy has been marching to a different drummer than the rest of the state during the past four years. The state's economy has chalked up impressive gains since 1980, whereas Kodiak's economic picture has been lackluster at best. Employment declined in 1981, then experienced a spurt of growth in 1983, and appears to have flattened out again in 1984.

The state's economic growth during the past four years has been largely a result of state oil revenue expenditures. Kodiak has received a share of the state's wealth via public construction, revenue sharing, permanent fund dividends and state subsidized low interest housing and business loans. This revenue source did not appear to have the same effect on Kodiak's economy as it had elsewhere in the state. One reason is the collapse of the king crab fishery and extremely poor shrimp catches. If Kodiak's shell fishery had remained at historical levels, the revenue from the fish catch combined with this increase in oil revenues would have caused Kodiak's economy to have grown at least as rapidly as the state's if not more rapidly. Comparing the first six months of 1980 with the first six months 1984, Kodiak's employment fell by 3% while statewide employment increased by 29%.

Fishing is Kodiak's single largest industry employing 33% of its wage and salary employment during "normal" years. This includes only fish processing employment (food and kindred products) and not fishermen and crews. If both fish processing and fish harvesting employment were combined, they would represent nearly 50% of the Island's labor force. Fishing is essentially the area's only basic industry (there is a small logging industry which is presently depressed) upon which almost all other industries depend. State funded activities have been able to cushion some of the employment declines in fisheries. Construction employment reached a record high in 1983, largely as a result of public financed construction projects, including Terror Lake Dam, Dog Bay Harbor, Near Island Bridge, schools and a long list of smaller projects.

This spurt in construction employment in 1983 was enough to more than make up for the losses in fish processing employment. Construction activity peaked in 1983. In 1984 construction employment fell, but remained above historical levels. This drop in construction meant Kodiak's total employment numbers did not grow at all in 1984, but remained at the 1983 level. Fish processing employment for the first six months of 1984 were above 1983 levels because of a relatively good salmon season. However, it was not good enough to push total employment into a growth mode because of the poor shrimp and crab fishery in 1984.

Kodiak's secondary sector—trade, services and finance, insurance and real estate—has grown above 1980 levels, but is essentially unchanged since 1982. Government employment climbed slightly during the past few years as additional state revenues were made available.

In spite of the additional flow of oil revenues, Kodiak's economy has not been able to weather the decline of its shell fishery. These revenues have come at an opportune time, and have helped the Island's employment picture. However, it appears Kodiak's economy in the near term will not be able to sustain employment growth until there is a turnaround in the shellfish industry.

Kodiak Island
Nonagricultural Wage and Salary Employment
1980-1984

	Annual Average				Six Month Avg.	
	1980	1981	1982	1983	1983	1984
Total Nonag. Wage & Salary	4664	4381	4399	4880	4415	4441
Mining	0	0	0	0	0	•
Construction	101	136	304	582	577	366
Manufacturing	1880	1547	1275	1378	935	1153
Food & Kindred	1544	1424	1167	1285	844	1104
Other Manufacturing	336	123	108	93	91	49
Transportation	352	320	297	311	283	296
Trade	611	595	708	725	719	695
Wholesale	•	17	27	37	28	33
Retail	•	578	681	686	691	662
Finance-Ins. & Real Estate	98	95	101	104	105	•
Services & Miscellaneous	584	637	670	668	643	668
Government	1038	1051	1044	1114	1153	1154
Federal	286	257	252	253	254	239
State	207	253	260	273	268	267
Local	545	541	532	588	632	648

• Nondisclosable.

NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT
BY PLACE OF WORK
GULF COAST

	P/ 12/84	R/ 11/84	12/83	CHANGES FROM: 11/84	12/83
Nonag. Wage & Salary	18350	19000	17900	-650	450
Mining	700	700	700	0	0
Construction	1550	1850	1600	-300	-50
Manufacturing	2250	2450	1800	-200	450
Food & Kindred Prod.	1650	1800	1100	-150	550
All Other Mfg.	600	650	700	-50	-100
Trans. & Comm. Utilities	2050	2100	2250	-50	-200
Trade	3100	3100	3100	0	0
Wholesale	350	350	450	0	-100
Retail	2750	2750	2650	0	100
Finance-Ins. & Real Estate	550	550	500	0	50
Services & Misc.	2850	2900	2850	-50	0
Government	5300	5350	5100	-50	200
Federal	550	550	550	0	0
State	1550	1650	1500	-100	50
Local	3200	3150	3050	50	150

SOUTHEAST

By Kathleen Thomas

1984: The Year in Review

From 1983 to 1984 employment growth in the Southeast Region was less than 1%. Major drops in average annual employment occurred in the construction and manufacturing industries which declined 6.9% and 9.6%, respectively. The three industries which prevented an overall decrease in Southeast employment were trade; finance, insurance and real estate; and mining, services and miscellaneous.

Construction

The dramatic increases in 1983 construction employment were not continued in 1984 as construction employment dropped 6.9% in 1984. Though construction activity did slow, the level of construction employment was still 22% above 1982 levels. The housing boom, which occurred after the capital move vote confirmed Juneau as the capital city, began to slow in 1984. Vacancy rates have increased and housing prices have dropped, thereby moderating the demand for employment in the building construction and special trades sectors. Many capital improvement projects have been completed and few new capital improvement projects are being authorized resulting in a downturn in heavy construction employment.

Manufacturing

The manufacturing industry employment declines of 1983 continued through 1984. A depressed Japanese market for housing and a strong dollar limited the export of lumber and pulp and contributed to an 11.8% drop in lumber and pulp employment. Also affecting lumber and pulp employment was the closing of the Louisiana Pacific pulp mill in Ketchikan for a number of months in 1984. The salmon runs have been good in Southeast Alaska but a shift in production methods from canning to freezing of salmon, which requires fewer employees, has resulted in a decreased need for Southeast food and kindred products employment which dropped by 7.3%.

Transportation

Few events had significant effect on the transportation, communication and public utilities industry. The White Pass-Yukon railroad remained shut down and deregulation, while affecting other areas of the state, had no effect on the airlines in Southeast. The only notable change was a drop in water transportation employment of 2.9%. The construction industry is a main impetus to water transportation employment. When construction activities decline fewer construction materials need to be transported to the Southeast and fewer employees are needed to unload the goods.

Trade, Finance, Insurance and Real Estate

Declines in the construction and manufacturing industries were offset by increases in the trade and finance, insurance and real estate industries. Total trade increased 5.5% and finance, insurance and real estate increased 5.0%.

Retail trade led the advance with a 6.5% increase. One factor in retail trade that is beginning to play an important role is a decrease in the number of dollars going south as more opportunities are available in the Southeast to make local purchases. A new mall and expansion of existing malls in Juneau and a new mall being built in Ketchikan should keep more retail trade dollars in these local communities.

Wholesale trade, like other industries, has been influenced by the drop in construction activity. Construction materials; machinery, equipment and supplies; plumbing and heating equipment; and paints, varnishes and other supplies are important components of the wholesale trade industry. When construction activity slows, fewer of these wholesale trade items are required. The result was in a downturn of 4.1% in wholesale trade employment.

Mining, Services and Miscellaneous and Government

The 14.6% drop in mining activity was more than offset by increases in medical services and other categories. The mining industry has been on hold recently due to weak mineral prices, making most ventures unprofitable.

Southeast Alaska is following the trend of the rest of the nation with an increased services industry. In Alaska, services firms are aided by an increased tourism industry. Visitors to the Southeast require hotels and motels, campgrounds, automobile and recreational vehicle servicing, and amusement and recreation services, all leading to the development of the services industry.

The overall increase in government was a modest 1.5%. Federal government decreased slightly, 1.5%, while state and local government increased 1.1% and 3.6%, respectively.

Table I
Southeast Alaska Nonagricultural Wage and Salary Employment 1/
1983-1984

	1983	1984	Number Change	Percent Change
Total	28283	28482	199	0.70
Construction	1981	1844	-137	-6.91
Building Construction	537	508	-29	-5.40
Heavy Construction	809	636	-173	-21.38
Special Trades	636	700	64	10.06
Manufacturing	3356	3035	-321	-9.56
Food & Kindred	1022	947	-75	-7.34
Lumber & Pulp	2107	1858	-249	-11.82
Other	227	230	3	1.32
Trans., Comm. & Utilities	2015	2026	11	.55
Air Transportation	492	498	6	1.22
Water Transportation	486	472	-14	-2.88
Communication & Utilities	622	634	12	1.93
Other Transportation	415	422	7	1.69
Trade	4411	4652	241	5.46
Wholesale	444	426	-18	-4.05
Retail	3967	4226	259	6.53
Food Stores	842	853	11	1.31
Eating & Drinking	1244	1270	26	2.09
Other	1881	2103	222	11.80
Finance-Ins. & Real Estate	981	1030	49	4.99
Mining, Services & Misc.	4349	4542	193	4.44
Mining	48	41	-7	-14.58
Hotel, Motel	729	741	12	1.65
Medical	744	767	23	3.09
Other	2828	2992	164	5.80
Government	11190	11353	163	1.46
Federal	2163	2131	-32	-1.48
State	5262	5320	58	1.10
Local	3765	3902	137	3.64

Industry subtotals may not add due to rounding.

1/ 1984 estimates on 6 months actual data and 6 months estimated data.

NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT
BY PLACE OF WORK
SOUTHEAST ALASKA

			CHANGES FROM:		
	P/ 12/84	R/ 11/84	12/83	11/84	12/83
Nonag. Wage & Salary	27300	28100	26750	-800	550
Construction	1500	1800	1600	-300	-100
Manufacturing	2200	2350	2250	-150	-50
Food & Kindred Prod.	400	450	400	-50	0
Lumber & Paper Prod.	1600	1650	1600	-50	0
All Other Mfg.	200	250	250	-50	-50
Trans. Comm. & Utilities	1950	2000	1950	-50	0
Trade	4650	4600	4650	50	0
Wholesale	450	450	400	0	50
Retail	4200	4150	4250	50	-50
Finance-Ins. & Real Estate	1050	1050	1000	0	50
Mining, Services & Misc.	4350	4400	3950	-50	400
Government	11600	11900	11350	-300	250
Federal	2100	2150	2150	-50	-50
State	5250	5450	5100	-200	150
Local	4250	4300	4100	-50	150

HOURS AND EARNINGS

By Kathleen Thomas

Little change occurred in hours and earnings other than in the manufacturing industry. Average weekly hours are below year ago levels in contract construction indicating a continued slowdown in construction activity.

In the manufacturing industry, food and kindred products displayed an unexpected rally with November 1984 average weekly hours rising 65% over November 1983 levels. A November 1st tanner crab opening and the tail end of a trawl shrimp opening prompted the increased activity in food and kindred products. The increase in lower paid temporary workers hired to process the incoming crab lowered average hourly earnings by 12.4% from October 1984 levels.

Average weekly earnings in the lumber and paper products industry continued to decline. Average weekly hours dropped 23.6% from November 1983. A number of firms reported an increase in the proportion of higher paid employees resulting from a slowdown in mill activity and lower paid employees being laid off. This resulted in average hourly earnings increasing 6.2% from October 1984.